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July 8, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following information requests:

From the Attorney General:

AG-19-17	AG-19-18	AG-19-19	AG-19-20	AG-19-21
AG-19-22	AG-19-23	AG-19-24	AG-19-25	AG-27-13
AG-27-14	AG-27-15	AG-27-16	AG-27-17	AG-27-18

From the Department:

DTE-4-10 (Supp) DTE-15-18

From the USWA:

USWA-2-21

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)

A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)

Andreas Thanos, Assistant Director, Gas Division (1 copy)

Alexander Cochis, Assistant Attorney General (4 copies)

Service List (1 electronic copy)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-17 Referring to the Company's response to Information Request AG-1-40, Attachment (a), page 5, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Rate of Compensation Increases of 4.00 percent used for the determination of the benefits obligation.

Response: The 4 percent amount is an assumption that NiSource management believes to be reasonable with regard to average future wage increases.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-18 Referring to the Company's response to Information Request AG-1-40, Attachment (a), page 5, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Discount Rate of 6.25 percent used for the determination of the net periodic benefit cost.

Response: Please see the Company's response to AG 19-16.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-19 Referring to the Company's response to Information Request AG-1-40, Attachment (a), page 5, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Rate of Compensation Increases of 4.00 percent used for the determination of the net periodic benefit cost.

Response: Please see the response to AG 19-17.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-20 Referring to the Company's response to Information Request AG-1-40, Attachment (a), page 5, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Expected Long-Term Rate of Return on Plan Assets of 9.00 percent used for the determination of the net periodic benefit cost. Please include in the response the assumed allocation of assets and the assumed returns on each of those asset classes.

Response: NiSource pension assets returned an annual average of over 9 percent from 1990 to 2004. Also, looking at investment returns in general over a 25-year period, we see that there is support for the 9.0% assumption. Below are the average annual returns from 1978 to 2002 for the S&P 500 index, the MSCI EAFE Index in US Dollars, and the Lehman Brothers Aggregate Bond Index. A portfolio of these indices with similar allocations to the NiSource pension investments (50% US Equity/15% International Equity/35% Fixed Income) shows that such a portfolio would have produced an average annual return of over 11% over those 25 years. (See worksheet below.)

	Portfolio*			
<u>(Past 25 Years 1978-2002)</u>	<u>S&P 500</u>	<u>EAFE</u>	<u>LB Aggr.</u>	<u>Annual Return</u>
Avg Annual Rate of Return:	13.51%	10.22%	9.60%	11.65%

* Portfolio consists of 50% S&P 500, 15% EAFE and 35% LB Aggr.

Given more recent lower investment returns and the expectation for lower future investment returns, a 9.0% expected long-term rate of return is used for the Pension Fund. A 9.0% expected long-term rate of return assumption is also in line with rate of return assumptions used by other corporate pension plans.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-21 Referring to the Company's response to Information Request AG-1-40, Attachment (d), page 7, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Discount Rate of 6.00 percent used for the determination of the benefits obligation. Please also provide a complete and detailed description of the reasons that it is different from the Discount Rate used to determine the net periodic benefit cost.

Response: Please see the Company's response to AG 19-16.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-22 Referring to the Company's response to Information Request AG-1-40, Attachment (d), page 7, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Health Care Cost Trend rates used for the determination of the benefits obligation.

Response: The health care cost trend is an assumption that NiSource management believes to be reasonable with regard to average future health care increases. For the September 30, 2004 measurement date the trend rate was 10 percent grading down to 5 percent in 2009. The 10 percent rate aligns with increases over the past few years. The 5 percent rate is intended to represent a long-term, sustainable rate.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-23 Referring to the Company's response to Information Request AG-1-40, Attachment (d), page 7, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Discount Rate of 6.25 percent used for the determination of the net periodic benefit cost.

Response: Please see the Company's response to AG 19-16.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-24 Referring to the Company's response to Information Request AG-1-40, Attachment (d), page 7, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Expected Return on Plan Assets of 8.75 percent used for the determination of the net periodic benefit cost. Please include in the response the assumed allocation of assets and the assumed returns on each of those asset classes.

Response: NiSource VEBA Trust assets are allocated in a similar manner to the NiSource Pension Fund, which has an expected long-term rate of return on plan assets of 9.0%. The primary difference between the asset allocation of the VEBA Trust and the Pension Fund, is that the VEBA Trust investment policy does not allow for higher risk/higher return investments such as private equity, hedge funds, distressed debt and high yield bonds. Since these higher returning investments are assets of the Pension Fund, but are not assets of the VEBA Trusts, the expected long-term rate of return for the VEBA Trusts was reduced to 8.75%.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
NINETEENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-19-25 Referring to the Company's response to Information Request AG-1-40, Attachment (e), page 8, please provide the workpapers, calculations, formulas, assumptions, and other supporting documentation for the Expected Return on Plan Assets of 7.50 percent used for the determination of the net periodic benefit cost. Please include in the response the assumed allocation of assets and the assumed returns on each of those asset classes.

Response: NiSource VEBA Trust assets are allocated in a similar manner to the NiSource Pension Fund, which has an expected long-term rate of return on plan assets of 9.0 percent. The primary difference between the asset allocation of the VEBA Trust and the Pension Fund, is that the VEBA Trust investment policy does not allow for higher risk/higher return investments such as private equity, hedge funds, distressed debt and high yield bonds. Since these higher returning investments are assets of the Pension Fund, but are not assets of the VEBA Trusts, the expected long-term rate of return for the VEBA Trusts was reduced to 8.75 percent.

The Taxable VEBA Trusts are subject to the payment of Unrelated Business Income Tax (UBIT) on some income, so the expected long-term rate of return on plan assets for these trusts was further reduced to 7.5 percent.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-SEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-27-13 Referring to the response to Information Request AG-4-8, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the discount rate.

Response: Please see the Company's response to AG 19-16.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-SEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-27-14 Referring to the response to Information Request AG-4-9, please provide the workpapers, calculations, formulas, assumptions, studies, analyses, and all other supporting documentation that Hewitt used to determine the return on pension trust fund assets.

Response: Please see the Company's response to AG 19-20.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-SEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-27-15 Referring to the response to Information Request AG-4-10, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the wage base increase factor.

Response: Please see the Company's response to AG 19-17.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-SEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-27-16 Referring to the response to Information Request AG-4-18, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the discount rate.

Response: Please see the Company's response to AG 19-21.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-SEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-27-17 Referring to the response to Information Request AG-4-99, please provide the workpapers, calculations, formulas, assumptions, studies, analyses, and all other supporting documentation that Hewitt used to determine the return on PBOPs trust fund assets.

Response: Please see the Company's response to AG 19-24 and AG 19-25.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
TWENTY-SEVENTH SET OF INFORMATION REQUESTS FROM THE ATTORNEY
GENERAL
D. T. E. 05-27

Date: July 8, 2005

Responsible: Steven A. Barkauskas, Vice President Total Rewards
NiSource Corporate Services Company

AG-27-18 Referring to the response to Information Request AG-4-10, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the trends in health care, Medicare, and prescription drug costs.

Response: Please see the Company's response to AG 19-22.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FOURTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 8, 2005

Responsible: Lawrence R. Kaufmann, Consultant (PBR)

SUPPLEMENTAL RESPONSE

DTE-4-10 Refer to Exh.BSG/LRK-2. Please re-run the econometric cost model considering:
(a) total cost (including capital, labor, and other O&M costs);
(b) pensions in the labor input price;
(c) "the rate freeze" factor;
(d) the period 1993-2004
(e) based on the new results, please update Exh.BSG/LRK-2;
(f) based on the new results, would the Company propose a new consumer dividend? If yes, why? If not, why not?

Response:

- (a) – (d), (e) The results of the econometric run that incorporate all the requested revisions in (a)-(d) above are presented in the spreadsheet attached as Attachment DTE-4-10.
- (f) I would not propose a new consumer dividend based on these results for two main reasons.

First, these econometric results are markedly inferior to those presented in Exh. BSG/LRK-2. The coefficient on the percent of non-iron and bare steel main is now no longer statistically significant, even though this variable is known to be an actual driver of gas distributors' operation and maintenance and capital replacement costs. The system age proxy is also no longer statistically significant. Moreover, 100% of the regularity conditions were satisfied in the econometric model presented in Exh. BSG/LRK-2 while only 92% of these regularity conditions are satisfied in the specification requested here.

Second, this econometric specification does not respond to the "capital vintaging" concerns that the Department expressed about the econometric cost model presented in D.T.E. 03-40. In that proceeding, the Department rejected very similar econometric results because it believed they did not control appropriately for differences in the vintages of utilities' capital stocks.

Because this econometric specification yields inferior results to that presented in Exh. BSG/LRK-2 and does not respond to the

Department's stated concerns for nearly identical econometric models, it should not be used as a basis for proposing a consumer dividend for Bay State.

SUPPLEMENTAL RESPONSE

See Attachment DTE-4-10, which was inadvertently excluded from the Company's June 16, 2004 response.

Table One

GAS DISTRIBUTION SAMPLE

Region	Company	Number of Customers (2002)	Region	Company	Number of Customers (2002)
Northeast	Bay State Gas	279,512	North Central	Consumers Power	1,652,309
	Boston Gas	553,551		East Ohio Gas	1,213,805
	Brooklyn Union	1,245,106		Illinois Power	399,499
	Central Hudson Gas & Electric	66,757		Interstate Power	223,232
	Commonwealth Gas	248,736		Madison Gas & Electric	124,416
	Connecticut Energy	169,319		North Shore Gas	151,548
	Connecticut Natural Gas	148,133		Northern Illinois Gas	2,023,255
	Consolidated Edison	1,051,776		Peoples Gas Light & Coke	837,212
	New Jersey Natural Gas	437,311		Wisconsin Gas	556,768
	Niagara Mohawk	551,436		Wisconsin Power & Light	165,567
	Orange & Rockland Utilities	121,182	South Central	Alabama Gas	461,232
	PECO	449,108		Louisville Gas & Electric	308,344
	People's Natural Gas	354,358		Oklahoma Natural Gas	778,820
	PG Energy	157,465	Texas		
	Providence Energy	243,204		Enserch	1,450,879
	Public Service Electric & Gas	1,665,668	Southwest		
	Rochester Gas & Electric	289,860		Questar	735,847
South Atlantic	Baltimore Gas & Electric	609,349		Southwest Gas	1,406,648
	Atlanta Gas Light	1,519,499	Northwest		
	Public Service Company of North Carolina	367,177		Cascade Natural Gas	204,735
	Washington Gas Light	941,456		Northwest Natural Gas	549,213
			Washington Natural Gas	613,540	
			California		
		Pacific Gas & Electric		3,940,442	
		San Diego Gas & Electric		782,530	
			Southern California Gas	5,143,877	
			Total Sample		35,193,681
			Industry Total*		66,410,361
			Percentage of U.S. Total		53.0%
			Number of Sampled Firms		43

*Source For US Total: U.S. Energy Information Administration, *Natural Gas Annual 2002*

Table Two

**1999-2003 AVERAGE VALUES OF VARIABLES IN THE BENCHMARKING STUDY:
BAY STATE GAS DISTRIBUTION (1999-2003)**

Variable	Units	U.S. Sample Average	Bay State	Bay State/Mean
Gas Distribution Total Cost	1,000 Dollars	358,427	195,066	0.544
Number of Customers	Customers	815,497	273,107	0.335
Total Throughput	MDt	186,524	63,497	0.340
Price of Labor Services	Index Number	44,965	50,024	1.113
Price of Materials	Index Number	101.886	101.976	1.001
Non-iron and Bare Steel in Dx Miles	Percent	84.39%	69.62%	0.825
Number of Electric Customers	Customers	634,485	0	0.000
Northeast Dummy Variable	Dummy	0.421	1.000	2.375
Distribution Main	Miles	10,640	4,635	0.436
Rate Freeze Factor	Dummy	0.024	1.000	41.200
System Age Proxy	Ratio	0.165	0.045	0.275

Table Three

ECONOMETRIC TOTAL COST MODEL FOR GAS DISTRIBUTION

VARIABLE KEY

L = Labor Price
K = Capital Price
N = Number Customers
V = Total Throughput
NI = Percent Non-Iron and Steel in Dx miles
E = Number Electric Customers
D = Northeast Dummy
M = Miles of Distribution Main
R = Rate Freeze Factor
S = System Age Proxy

EXPLANATORY VARIABLE	PARAMETER ESTIMATE	T- STATISTIC	EXPLANATORY VARIABLE	PARAMETER ESTIMATE	T-STATISTIC
L	0.205	71.776	NI	-0.022	-0.434
LL	0.044	1.177	E	-0.005	-4.303
LK	-0.138	-5.510	D	0.084	10.683
LN	-0.018	-2.490	M	0.102	2.774
LV	-0.014	-1.899	R	0.000	-0.141
K	0.639	213.384	S	-0.017	-1.534
KK	0.210	9.499	Constant	8.150	504.210
KN	0.014	2.712	System Rbar-Squared		0.967
KV	0.012	2.009	Number of Obsevation		453
N	0.571	13.735	Years of Sampled Data		1993-2003
NN	-0.425	-6.062			
NV	0.449	5.530			
V	0.203	5.773			
VV	-0.529	-5.363			

Table Four

**ACTUAL AND PREDICTED O&M COST
BAY STATE GAS (1999-2003)**

	Actual O&M Cost \$1000	Predicted O&M Cost \$1000	Difference (%)	T-statistic
Bay State	195,066	191,518	1.8%	0.58

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FIFTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: July 8, 2005

Responsible: Stephen H. Bryant, President
Danny G. Cote, General Manager

DTE-15-18 Refer to BSG/SHB-1, at 26-27. Please indicate the specific steps or initiatives that the Company will take under its strategic plan going forward to reduce or contain costs, increase efficiency, and/or promote innovation. Breakdown the steps or initiatives into (i) short-term strategies, (ii) medium-term strategies, and (iii) long-term strategies.

Response: Over the short term (immediate) Bay State will continue to use the following tools to achieve cost and productivity efficiencies:

- Bay State will continue to expand the use of its logistics center and mobile data to make and schedule (or re-schedule) appointments as necessary to insure maximum productivity from the service and metering workforce. In addition the logistic center will work with area supervisors to manage individual performance and achieve departmental productivity goals on a daily basis.
- Each operating department will use our activity based budgeting and reporting system to manage labor productivity and unit costs on a monthly basis.
- Each operating department will use departmental productivity and return trip reports to achieve unit cost and labor productivity goals.

Over the mid-term (2 to 3 years) Bay State will participate with other Nisource LDC's in the Work Management initiative. This undertaking is designed to provide Bay State with best in class cost and productivity management tools from the deployment of new hardware and software designed to automate manual functions, provide more effective tools for the execution of various operating tasks, and to provide highly effective management reporting.

Over the long term (5 years and beyond) Bay State expects the SIR program to reduce future leak repair volumes (thus costs) as well as reduce the level of leakage surveys required in the Bay State system. This will occur because over time the SIR program will reduce the amount of high maintenance of bare and coated unprotected mains and services in our system.

Also, Bay State will participate in NiSource's recently-announced outsourcing initiative that is intended to contain costs, increase efficiency, and promote innovation. Please see the Company's response to DTE-18-01 for further discussion of this initiative.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SECOND SET OF INFORMATION REQUESTS FROM USWA, AFL-CIO/CLC
D. T. E. 05-27

Date: July 8, 2005

Responsible: Stephen H. Bryant, President

USWA-2-21: For 1999 to date, the total number of hours and the cost of overtime performed at the Call Center, aggregated by month. For the same time period, provide all documents consulted, informing, relating to or regarding the use of overtime to fill positions at the Call Center.

Response: Please see Attachment USWA – 2-21 (a) for the overtime hours accumulated at the Springfield Contact Center by month from October 1999 through 2004. Overtime data prior to October 1999 is not available, as the current system was not put into place until late 1999. Overtime hours are reported from the Company's payroll system.

See Attachment USWA – 2-21 (b) for the payroll expenses associated with overtime at the Springfield Contact Center for the period October 1999 through 2004. Expense data prior to October 1999 is not available, as the current system was not put into place until late 1999. Expense data are reported from the Company's payroll system.

See Attachment USWA-2-21 (c) for a copy of the relevant pages of the current USWA labor agreement covering the Springfield Contact Center employees. Pages 16-17 from this agreement address the Company's overtime policy, including the use of overtime to fill positions at the Contact Center.

See Attachment USWA – 2-21 (d) for samples of E-mail communication to Contact Center employees offering overtime opportunities during peak periods and to cover shifts of absent employees (vacation, illness, etc.). E-mails are the communications mode used to execute overtime policy described in the agreement.

Lawson Financial Accounting - Fiscal Year Summary (GL95.2)

File Edit Options Field Actions Window Help

Company: 400 BAY STATE GAS COMPANY USD

Organization: Char

Accounting: [Inquire]

Company: Co 400 Year 2004 Period 1 - 12 Type UNITS

Level: Acct Unit 02235 Account 46005 Subaccount

Account Selection: Major Account Summary

	2004		2003	
	Period	Year to Date	Period	Year to Date
Account BB				
Subaccount 1	877	877	1,206	1,206
Subaccount 2	611	1,487	897	2,103
Period Selected 3	329	1,816	743	2,846
4	412	2,228	665	3,511
5	266	2,494	888	4,400
6	410	2,904	613	5,012
7	384	3,288	418	5,430
8	293	3,581	284	5,715
9	324	3,905	323	6,037
10	717	4,621	766	6,803
11	591	5,212	466	7,269
12	767	5,979	1,045	8,313

Account: []

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Fiscal Year Summary (GL95.2)

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Co 400 Year 2002 Period 1 - 12 Type UNITS
Acct Unit 02235 Account 46005 Subaccount

	2002		2001	
	Period	Year to Date	Period	Year to Date
BB				
1	547	547	899	899
2	326	872	782	1,681
3	718	1,590	868	2,549
4	677	2,267	511	3,060
5	669	2,936	529	3,589
6	622	3,558	982	4,570
7	535	4,092	717	5,287
8	508	4,600	754	6,040
9	546	5,145	621	6,661
10	898	6,035	839	7,500
11	1,300	7,335	557	8,057
12	876	8,211	1,213	9,270

Inquiry Complete

Acrobat Reader 5.0 BSc Prod

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Fiscal Year Summary (GL95.2)

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[Inquire]

Co 400 Year 2000 Period 1 - 12 Type UNITS
Acct Unit 02235 Account 46005 Subaccount

	2000		1999	
	Period	Year to Date	Period	Year to Date
BB				
1	283	283		
2	999	1,281		
3	800	2,081		
4	559	2,639		
5	670	3,309		
6	965	4,274		
7	793	5,067		
8	731	5,798		
9	906	6,704		
10	763	7,467	14	14
11	727	8,194		14
12	1,101	9,295		14

Inquiry Complete

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Lawson Financial - Fiscal Year Summary (GL95.2)

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[Inquire]

2005			2004		
Period	Year to Date	Amount	Period	Year to Date	Amount
1	15,522	15,522	23,300	23,300	23,300
2	10,886	26,407	15,569	38,868	38,868
3	14,636	41,043	9,007	47,876	47,876
4	11,725	52,768	9,971	57,847	57,847
5	8,434	61,202	7,758	65,604	65,604
6	10,985	72,187	10,921	76,525	76,525
7		72,187	10,627	87,153	87,153
8		72,187	8,674	95,827	95,827
9		72,187	8,462	104,289	104,289
10		72,187	19,182	123,471	123,471
11		72,187	14,679	138,150	138,150
12		72,187	19,643	157,793	157,793

Inquiry Complete

My Documents

My Computer

My Network Places

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Internet Explorer

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Acrobat Reader 5.0

Progress

Fiscal Year Summary (GL95.2)

File Edit Options Field Actions Window Help

← → [Inquire]

Co 400 Year 2003 Period 1 - 12 Type AMOUNT
Acct Unit 02235 Account 46005 Subaccount

	2003		2002	
	Period	Year to Date	Period	Year to Date
BB				
1	31,056	31,056	12,152	12,152
2	23,195	54,251	8,461	20,613
3	20,175	74,426	17,401	38,014
4	18,102	92,529	16,219	54,233
5	22,704	115,233	17,336	71,569
6	16,549	131,782	15,821	87,390
7	11,266	143,047	13,676	101,066
8	11,628	154,676	13,405	114,471
9	7,845	162,521	13,411	127,882
10	20,377	182,898	23,571	151,453
11	11,551	194,449	33,147	184,600
12	14,479	208,928	21,464	206,064

Inquiry Complete

Lawson Desktop Human Resources Procurement Financial

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My Documents My Computer My Network Places Recycle Bin Internet Explorer Hummingbird Neighborhood Acrobats Reader 5.0 Progress

LAWSON INQUIRE **Fiscal Year Summary (GL95.2)**

Company: 4000 BAY STATE GAS COMPANY USD

File Edit Options Field Actions Window Help

Account: 4000 Year 2001 Period: 1 - 12 Type: AMOUNT
Account Unit: 02235 Account: 46005 Subaccount:

	2001		2000	
	Period	Year to Date	Period	Year to Date
BB				
1	18,852	18,852	5,270	5,270
2	17,893	36,745	21,999	27,270
3	19,753	56,499	17,049	44,319
4	11,469	67,968	12,842	57,160
5	9,866	77,834	13,046	70,206
6	20,976	98,809	20,199	90,405
7	16,542	115,352	16,148	106,554
8	17,796	133,148	16,251	122,805
9	14,430	147,578	19,350	142,155
10	18,308	165,886	15,287	157,442
11	14,051	179,937	13,539	170,981
12	25,907	205,845	22,120	193,101

Inquiry Complete

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Lawson Financial - Fiscal Year Summary (GL95.2)

File Edit Options Field Actions Window Help

Org: Do 400 Year 1999 Period 1 - 12 Type AMOUNT
Acct Unit 02235 Account 46005 Subaccount

	1999		1998	
	Period	Year to Date	Period	Year to Date
BB				
1				
2				
3				
4				
5				
6				
7				
8				
9				
10		534		534
11				534
12				534

Acc: Inquiry Complete

Lawson Desktop Human Resources Procurement Financial

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AGREEMENT

By And Between

BAY STATE GAS COMPANY

SPRINGFIELD DIVISION

And the

**UNITED STEEL WORKERS OF AMERICA,
AFL-CIO-CLC**

On Behalf Of

**LOCAL UNION NO. 12026
CLERICAL/TECHNICAL**

May 15, 2004 - May 15, 2010



classification. The Company will supply employees with tracking calendars at their request.

3. Time spent in a temporary transfer is not to be used as a determining factor in the awarding of a job to a job bidder.

10. TEMPORARY TRANSFERS

An employee who is temporarily transferred to a job in a higher grade shall be paid the minimum for the job or the step rate next above their present rate, whichever is higher. An employee who is temporarily transferred to a job in the same grade shall be paid their present rate and continue the established progression, if any, to the maximum job rate. An employee who is temporarily transferred to a job in a lower grade shall continue to receive their regular rate of pay and continue the established progression in their grade. However, this shall not apply where employees are lending the duties of the new job. If, however, the employee has held the position before and was at the rate maximum, the employee would receive the maximum rate. If the employee has been transferred to the job in the past, they would receive credit for the time spent on said transfer and the paid progression rate would apply.

VII. ALLOWANCES

1. OVERTIME RATE

One and one-half times an employee's regular hourly rate shall be paid to a regular full time employee for hours worked in excess of forty (40) hours in any one work week and in excess of eight (8) hours in any one workday. Overtime rate of pay shall not be applied more than once to any particular hour of overtime work.

An employee who works seven (7) days within a workweek will be paid double time for all work performed on the seventh day.

2. OVERTIME DISTRIBUTION

It is recognized by both the Company and the Union that the needs of a public utility operation may require overtime work and that the work involved must be accomplished by qualified employees. The amount of overtime and the schedule for working such overtime will be established by the Company. The Company, in scheduling in-classification overtime work, will distribute such overtime work in accordance with the overtime list(s) to employees in-classification who are qualified to perform the work available.

(3) Overtime will be distributed on a rotating basis, based on an in-department, in-classification bargaining unit seniority list to regular full-time employees within job classifications

(b) The overtime list and the list for holiday overtime will be updated and posted weekly.

(c) Employees who refuse overtime opportunity will not be offered overtime again until all other employees on the overtime list, in rotation, have been offered such overtime opportunity.

If overtime is still available after following the procedure above for in-classification overtime, the Company will attempt to use qualified volunteers out of classification before requiring the junior employees in-classification to work such overtime.

3. CALL-OUT AND EARLY WORK START

a. Call-out

Employees who are recalled to report for work after completing a scheduled work day (period or shift) and after leaving the premises of the Company, shall be paid at the rate of double time for such time worked but not less than six (6) hours pay at their regular straight time rate of pay for such call-back.

b. Travel Time

Fifteen (15) minutes travel time shall be allowed each way on such call-back.

c. Advance Notice

The call-out allowance shall not apply when the employee has been given at least twelve (12) hours advance notice of such call-out. When this occurs, the rate and time-and-one-half for hours worked outside of the regular work schedule shall apply.

d. Early Work Start

An employee called within two (2) hours of their regular scheduled reporting time shall be paid at the rate of time-and-one-half from the time the call is received until their starting time when they continue to work into their scheduled workday.

4. SLEEP WORK AND PREMIUMS

First, second and third shifts are defined as follows.

1. If a majority of the hours of a scheduled shift fall within the hours of 8:00a.m. to 4:00 p.m., the shift will be considered the first shift.

OT available for this Saturday, Sept. 20th. - Lotus Notes

File Edit View Create Actions Help

Welcome Ramona Tetrault's Mail - Sent OT available for this Saturday, Sept. 20th. X

New Memo Reply Forward Delete Folder Copy into Tools

Ramona Tetrault
09/15/2003 11:17 AM

To: BGC - Springfield Billing and Service Reps
cc:
Subject: OT available for this Saturday, Sept. 20th.

Need 2 people to work 9am-2pm, on Saturday, Sept 20th. Sign up by noon, Thursday, Sept 18th.

Ramona L. Tetrault
Team Leader
Bay State Gas Contact Center

Start Avaya C... Agent Gr... Call Cent... OT avail... CIS Wor... Toolbar Springfiel...

Need 2 people to stay til 6pm and 1 person to stay til 7pm tonight. Sign up by 2pm today. - Lotus Notes

File Edit View Create Actions Help

Welcome Ramona Tetrault's Mail - Sent OT available for this Saturday, Sept. 20th. New Memo

New Memo Reply Forward Delete Folder Copy into Tools

Ramona Tetrault
09/29/2003 10:25 AM

To: BGC - Springfield Billing and Service Reps
cc:
Subject: Need 2 people to stay til 6pm and 1 person to stay til 7pm tonight. Sign up by 2pm tod

Ramona L. Tetrault
Team Leader
Bay State Gas Contact Center

3643 unread document(s) remaining

Start Avaya... Agent ... Call Ce... Need ... CIS W... Toolbar Spring...

Need a few volunteers to stay til 8pm tonight. Sign up by 3pm if interested. - Lotus Notes

File Edit View Create Actions Help

Welcome Ramona Tetrault's Mail - Sent OT available for this... New Memo Need 2 people to sta

New Memo Reply Forward Delete Folder Copy into Tools

Ramona Tetrault
01/18/2005 01:06 PM

To: BGC - Springfield Billing and Service Reps
cc:
Subject: Need a few volunteers to stay til 8pm tonight. Sign up by 3pm if interested.

Ramona L. Tetrault
Team Leader
Bay State Gas/NU Contact Center

Start Avaya C... Agent Gr... Call Cent... Need a fe... CIS Work... Toolbar

OT available for this Saturday, June 18th. - Lotus Notes

File Edit View Create Actions Help

Welcome Ramona Tetrault OT available to... New Memo Need 2 peop... Need a few volu

New Memo Reply Forward Delete Folder Copy into Tools

Ramona Tetrault
06/14/2005 09:00 AM

To: BGC - Springfield Billing and Service Reps
cc:
Subject: OT available for this Saturday, June 18th.

Sign up by noon, Thursday, June 16th. Shifts will be determined later on in the week.

Ramona L. Tetrault
Team Leader
Bay State Gas/NU Contact Center

3645 unread document(s) remaining

Start Avaya C... Agent Gr... Call Cent... OT availa... CIS Work... Toolbar

Ramona L. Tetrault
Team Leader
Bay State Gas/NU Contact Center